and taxes, as they are collected. Works of large outlay can be, undertaken only from borrowed funds. Based on this system it is proposed to give a loan to the Mattancheri municipality and a provision of Rs. 1·96 lakhs has been made under 'Investment' in the coming year, for works in connection with water supply to the town by extending the water main at Ernakulam to Mattancheri. Ernakulam and Trichur municipalities have been asked to submit proposals in consultation with the Chief Engineer as to the details of works in their respective towns calculated to improve them and to provide necessary amenities to the towns. On receipt of their reports the question of giving loans to these Municipalities will also be considered, a provsion of Rs. 20,000 having been made in advance for a loan to the Trichur Municipality for the construction of a market in modern design. All these municipalities have also been asked to point out source to meet the interest and debt charges in due course.

LOAN.

12. The floatation of a new loan for Rs. 30·00 lakhs—its necessity and other details having already been touched upon by the Diwan in his speech; I do not reiterate the same here.

FINANCIAL POSITION AT THE END OF 1112.

13. Before I close my observation on the budget of the State, I would like to state for your information that our financial position at the end of the budget year will stand as follows:—

Capital Outlay (excluding Meter-gauge asset)	Rs.	156·41	lakhs.
Net Revenue surplus including cash balance	Rs.	51·84	„
Total asset	Rs.	208·25	„
Debt liability	Rs.	105·00	„
Net asset	Rs.	103·25	„

CRANGANUR.

14. Passing on, I come to the last item of my business to-day—I mean the Cranganur budget. A satisfactory solution of the finances of Cranganur has been baffling the best efforts of the Government for years past. It is always desired to be

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